TWENTY-FIRST ANNUAL REPORT

YEAR ENDED DECEMBER 1985

86-06099/

twenty-first annual report of the manitoba hog producers' marketing board

MEMBERS

Bill Vaags, Dugald . . . . . Chairman
Weldon Newton, Neepawa . . . . . Vice Chairman
Ken Foster, Arborg
Doug Head, Treherne
Ken Johnston, Killarney
Ed Kleinsasser, Newton Siding
Walter Mazinke, Morris
Russ Phillips, Dauphin

ADMINISTRATION

W.B. Munro, P. Ag. . . . . Manager
R.L. Sedgwick, P. Ag. . . . . Assistant Manager
A.J. Wach/A. Fulford . . . . . Accountant
A.J. Brown . . . . . Secretary
R. Bohemier . . . . . St. Boniface Yard Superintendent
C. Aeichelle . . . . . Brandon Yard Superintendent

chairman's letter

Dear Fellow Hog Producers:

1985 will long be remembered by those in Canadian hog production as a year to forget. Nevertheless, it was an extremely busy year as your Board of Directors attempted to make the best from bad situations, sort of like making a silk purse from a sow's ear!

As 1985 began, our industry faced depressed prices and U.S. hog producers demanding their Government take action against us to stop our hogs entering the U.S. market.

While Canadian hog industry representatives were rallying to defend against the probability of high countervailing duties, Governor Janklow of South Dakota banned the importation into that state of livestock from countries sanctioning the use of the drug 'chloramphenicol'. When several other states followed suit, the Canada/U.S. movement of live hogs virtually ceased. Manitoba was one of the hardest hit provinces but, with the co-operation of our producers and some innovative marketing plans, our market suffered amazingly little.

When the U.S. Government announced and imposed their countervail duty later in the summer, it became too expensive to market live hogs to the U.S. — our largest live market was dry. A bleak time indeed!

Conditions in Manitoba in 1985 were either dry, crops were plagued with grasshoppers, -- or both. Those crops that did promise high yields were later soggy and hard, if not impossible to harvest.

Through, in spite and because of it all, your Board of Directors and staff were very busy dealing with:

— U.S. countervailing duty
— Chloramphenicol
— Tripartite Stabilization
— E.E.C. Imports
— House of Commons submissions
— Standing Committee Bill C 25
— Hall Report follow-ups
— Electronic grading
— Development of a new grading settlement table

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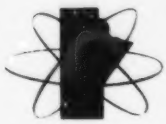


And hog producers were busy too — increasing Manitoba's production by 11 percent during 1985. New facilities are going up around the province and there seems to be a reasonable amount of optimism within our industry. In fact, hog producers may expect to make a small profit in 1986 if feed costs stay down and market prices stay up.

Looking ahead, remember that our markets no longer show trends or cycles as they did in the '60s and '70s. With talk of production increases in Saskatchewan, along with our own, our Board will be actively pursuing export markets to secure a reasonable return for Manitoba hog producers. Either that or a different marketing system is needed for our Canadian industry.

I have enjoyed working on your behalf during 1985. Only with the excellent cooperation and hard work of all Board members, plus general input into policy, is my job possible. I thank you all sincerely.

I would also like to thank our management and staff for running the marketing arm of our business so well.

Again, thank you. May 1986 be a year to remember!

Sincerely,

Bill Vaags

1985 MHPMB directors and district delegates

Ken Johnston, Killarney — Director

DISTRICT 1

Delegates
Dave Day, Deloraine — Secretary
Bert Neufeld, Boissevain
Don McEwan, Altamont
Leon Sanders, Manitou
Glen Wallcraft, La Rivierre
Gordon McDonald, Manitou

Doug Head, Treherne — Director

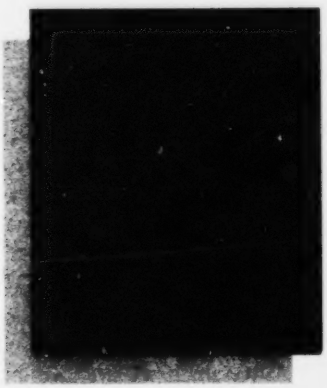
DISTRICT 2

Delegates
Tom Baron, Carberry — Secretary
Bob Smith, Carroll
Doug Wilson, Reston
Ron Perchak, Edwin
Doug Zarn, Reston

Weldon Newton, Neepawa — Director

DISTRICT 3

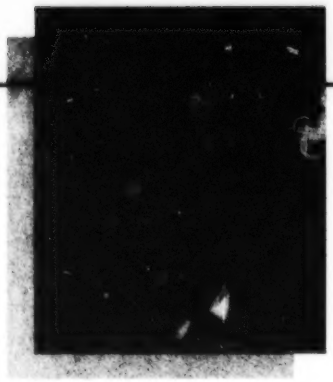
Delegates
Garry A. Tolton, Newdale — Secretary
Dunc Broadfoot, Gladstone
Bob Uhl, Erickson
Larry Shaw, Cardale
Stanley Yaskiw, Birtle



Russ Phillips, Dauphin — Director

DISTRICT 4

Delegates
Ian Shaw, Swan River — Secretary
Gordon Ferriss, Bowsman
George Pavlin, Dauphin
Terry Highmoor, Birch River
Acey Brinkman, Grandview
Bob Giesel, Ochre River



Walter Mazinke, Morris — Director

DISTRICT 5

Delegates
Lloyd Stoesz, Altona — Secretary
Orval Beaudin, St. Eustache
Henry Klassen, Altona
Bob Larcombe, Poplar Point
Art Poppe, Carman
Auke Bergsma, Carman
Herman Martens, Rosenort
Brian Cramer, Carman

Ken Foster, Arborg — Director

DISTRICT 6

Delegates
Gerald Thompson, Teulon — Secretary
Jack Rutherford, Grosse Isle
Karl E. Lange, Moosehorn
Les Jacobson, Arborg
Edwin Ryden, Eriksdale

Bill Vaags, Dugald — Director

DISTRICT 7

Delegates
Kai Winther, Dufresne — Secretary
John N. Janzen, Dominion City
Peter Dyck, Arnaud
Albert Bangert, Beausejour
Joe Van Schepdael, East Selkirk
Ron Rempel, Ste. Anne
Frank Thiessen, Steinbach
Vern Kionke, Dugald

Ed Kleinsasser, Sunnyside Colony — Director

DISTRICT 8

Delegates
Jake Hofer, Valley View Colony — Secretary
Albert Waldner, Rosedale Colony
Josh Hofer, Jr., James Valley Colony
Dan Kleinsasser, Concord Colony
Peter Hofer, Wellwood Colony
Sam Hofer, Woodland Colony
Mike Waldner, Newdale Colony
Mike Hofer, Riverbend Colony

manager's remarks

The Twenty-First Annual Report, Auditor's Report and Financial Statements of the Manitoba Hog Producers' Marketing Board for the year ending December 31, 1985 is hereby presented for your approval. Continuation of the new format introduced last year, selected use of color and pictorial views of office and yard functions and staff, we hope will add to your understanding.

The statistical tables and graphs outlined in the report summarize the province's position with respect to numbers of active production units; quarterly marketings; average prices; inspected slaughter; pork exports and imports, and carcass weight and quality — the above criteria compared to the year previous.

Of particular interest and importance is the fact that Board sales increased 11.1% to approximately 1.6 million hogs in 1985, continuing a consistent growth pattern since 1976. The 21% increase in inspected slaughter in the province was significant, reflecting no industry work stoppage during the year under review. Industry labor contracts are up for review this spring and summer — hopefully negotiations will be such to result in a continuance of labor/management harmony.

Hog prices were severely depressed in the second quarter, averaging only $61.98 cwt. — a direct reflection of the imposition and threat of duty on hog and pork exports. Some strengthening was evident in the third and fourth quarters. The annual average hog price was $66.31 cwt., down $3.78 from 1984 and the lowest in the last six years. Price relativity between the Winnipeg market, Ontario, and other prairie centres, was within a range of plus $.78 to minus $2.20 cwt.

Live hog exports at 50,000 head, the bulk in the first quarter, were sharply reduced from 160,000 head in 1984. As noted in the financial report, an export adjustment payment in the amount of $153,137 was issued in April. During the remainder of the year minor gains or losses were reflected in the daily average pool.

This past year the Manitoba meat packing industry purchased 92.5% to 99% of Board offerings, reflecting some increase in local plant demand.

The Canadian pork industry maintained a positive net trade balance in excess of $500 million for the last four consecutive years. Major gains this year were made in the U.S. market, with sales of approximately 400 million pounds. Japanese trade was equal to 1984 but improving at year end.

(cont'd)

Communications with approximately 3300 active hog production units in the province is an important aspect of Board activities. Regular publication of a monthly "Newsletter", the quarterly "Western Hog Journal" and continuous contact with eight District Committees by members of our Board of Directors, we hope, has been an effective means of communication throughout the year.

We are pleased to publish the results of the Board's "Top 20" Hog Quality Competition. This year's two volume category winners were Ray Timmerman of Treherne and Wellwood Colony of Dunrea, with average quality index scores of 108.85 and 107.76 respectively. In the eight district competitions a total of 63 production units have been consistent winners for five years or more. Also, please note that 32 production units were honored for the first time — helping to assure continuous improvement in overall hog quality in the province. Table 6 on page 17 indicates the percentage of Manitoba hogs indexing 102 or better was 78.1 percent — a positive increase from the year previous.

Commencing in April of this year, with the inception of electronic grading and metrification, producers should be even more mindful of grading results and optimizing market weights.

The Manitoba Hog Producers' Marketing Board was pleased to continue with the management and administration of the Manitoba Hog Income Stabilization Plan during the year. A total of 1025 hog production units were enrolled in the plan at year end. Approximately $6.6 million was dispersed in support payments during the year.

In 1985 your Board of Directors and Management continued their active participation in a host of allied agricultural and hog and pork industry organizations, major among them being the Canadian Pork Council; Western Hog Marketing Committee; Keystone Agricultural Producers and the Weanling Improvement Sales and Services Cooperative.

The financial statements in this report reflect the affairs of the Manitoba Hog Producers' Marketing Board for the twelve month period ending December 31, 1985. Net revenue of $2.1 million was up 6.8%, a reflection of increased volume and interest rates. Operating expenditures of $1.8 million were up 6.5%, resulting in a net operating surplus of $252,765.

On behalf of the Board of Directors, Administration and Staff, please accept our "thanks" for your continuing interest and support.

W. B. Munro

a pictorial glimpse of the board's Winnipeg and Brandon offices

management

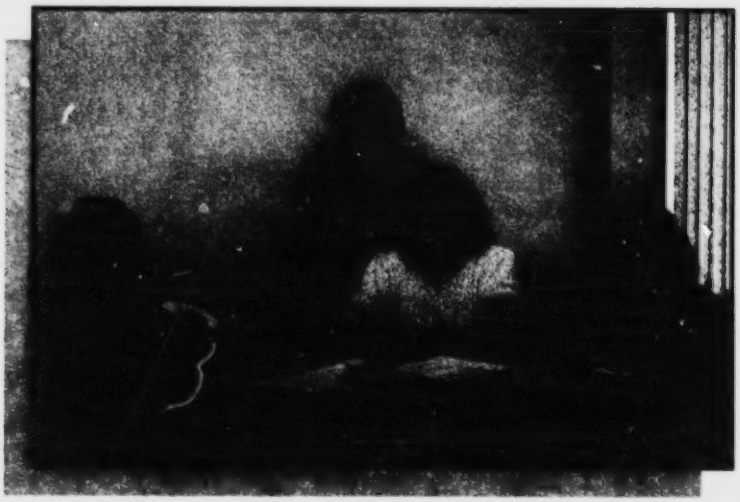
Bill Munro, Manager (seated) planning annual meeting with Anne Brown and Larry Sedgwick.

Bill Munro, Manager, updating Anne Brown and Larry Sedgwick re new federal stabilization program.

accounting department

L to R: Aden Fulford, Gwen Zimmer, Jess Lazo, John Engborg.

settlement department

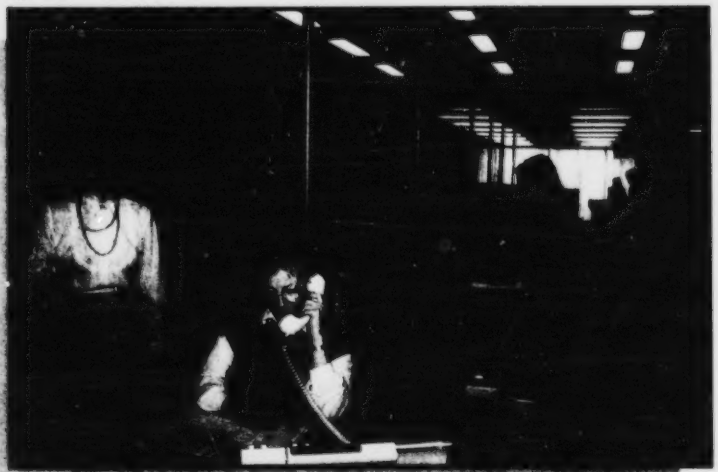


L to R: Cecile Lafreniere, Mary Mahood, Irene Gaudreau and Audrey Szustygesto.

sales department

L to R: Mary-Anne Buchko, Rene Chabidon, Jack McLeod.

general office



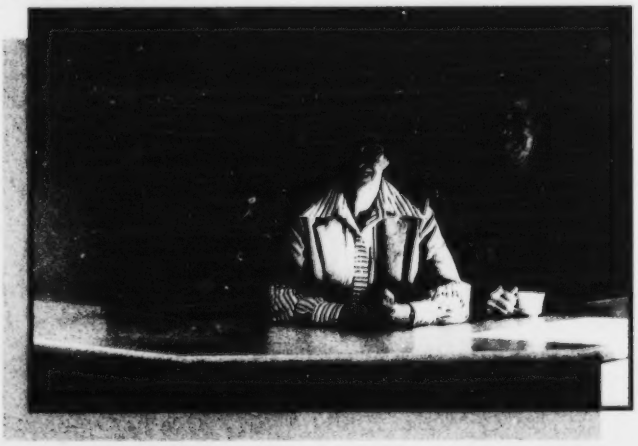
L to R: Nancy Baril, Verda Andrew, Sandra Lewkiw, Faith Haack.

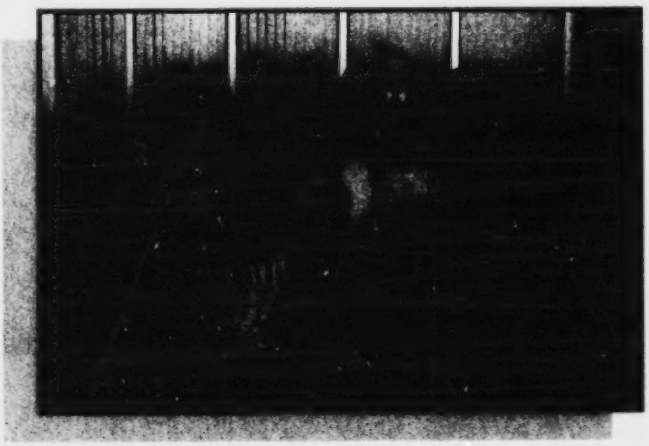
yard staff

Cal Smith, Richard McCulloch, Gerry Gagnon, Ray Bohemier (Supt.), George Haywood, Brian Van Den Bussche, Jamie Bell, Mitch Gauthier, Glen Richardson. Missing: Jim McCulloch, Ken Forster.

brandon yard staff

Chris Aeichelle (Superintendent), Winnie Francis, Roger Main.

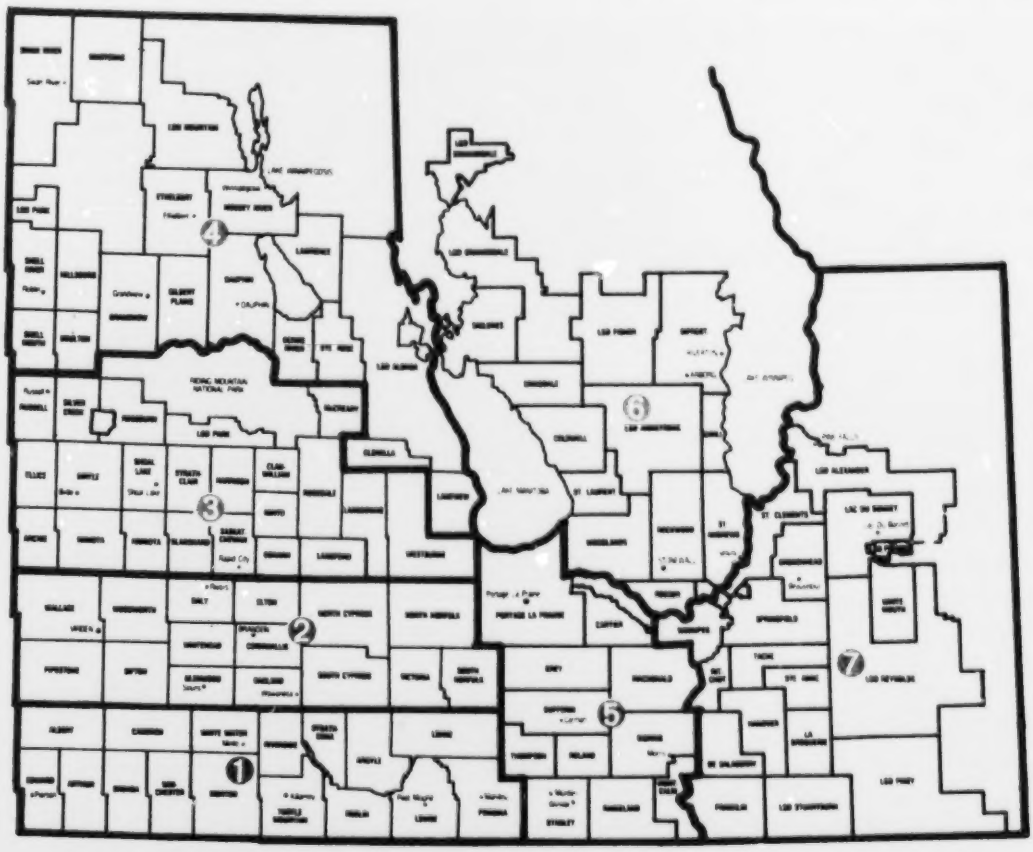




retirement party

Andy Wach retires as MHPMB Accountant. Staff and guests bid him farewell.

MHPMB district boundaries map



● indicates District zones

1 - Southern
2 - West-Central
3 - North-Central
4 - North-West
5 - Central Plains
6 - Interlake
7 - Red River East
8 - Not geographically defined (see note page 14)

1985 MHPMB hog district profile

MHPMB DISTRICT MARKETINGS — 1985				
MHPMB DISTRICT	NUMBER OF ACTIVE PRODUCTION UNITS		TOTAL MARKETINGS	
	1985	1984	1985	1984
#1 — Southern	521	573	165,170	160,774
#2 — West-Central	331	350	69,643	58,260
#3 — North-Central	344	390	59,155	58,787
#4 — North West	300	355	46,334	44,049
#5 — Central Plains	671	704	220,176	214,882
#6 — Interlake	303	322	96,425	95,648
#7 — Red River East	719	748	413,630	361,178
#8 — Hutterite Colonies*	76	77	446,746	386,159
TOTAL	3,265	3,519	1,517,279**	1,379,737**

*District 8 is not defined by boundaries but encompasses all Hutterite Colonies in the Province that are duly registered as hog producers.

**Includes only hogs sold by registered hog producers in each of the eight MHPMB districts.

MHPMB HOG MARKETINGS BY PRODUCER SALES RANGE — 1985																
SALES RANGE	DISTRICT 1		DISTRICT 2		DISTRICT 3		DISTRICT 4		DISTRICT 5		DISTRICT 6		DISTRICT 7		DISTRICT 8	
	NO. UNITS	% HOGS	NO. UNITS	% HOGS	NO. UNITS	% HOGS	NO. UNITS	% HOGS	NO. UNITS	% HOGS	NO. UNITS	% HOGS	NO. UNITS	% HOGS	NO. UNITS	% HOGS
1 - 100	263	50.5	225	67.9	226	65.8	207	69.1	324	48.2	163	53.8	312	43.4	2	2.6
101 - 200	66	12.7	30	9.1	33	9.6	31	10.3	65	9.7	34	11.2	56	7.8	—	—
201 - 500	90	17.3	42	12.7	53	15.4	37	12.3	126	18.8	42	13.9	79	11.0	1	1.3
501 - 1000	62	11.9	14	4.3	18	5.2	21	7.0	103	15.3	32	10.6	133	18.5	—	—
1001 - 2000	28	5.4	17	5.1	13	3.8	2	.6	45	6.7	26	8.6	98	13.6	—	—
2001 - 5000	12	2.3	2	.6	1	.2	2	.6	7	1.0	6	2.0	38	5.3	24	31.6
5001 - 10000	—	—	1	.3	—	—	—	—	1	.1	—	—	3	.4	48	63.2
10001 & Over	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1	1.3

The number of production units marketing 200 or more hogs totalled 1,232. This was up from the 1984 total of 1,209. Production originating from these units accounted for 94 percent of total Board sales. The number of units selling 500 or more increased to 760 from 705 in 1984 and 659 in 1983. A significant number of the units marketing 100 head or less are weanling production units whose sales consist primarily of cull sows and/or boars.

1985 in review
statistical information pertaining to hog production, prices, imports and exports

TABLE 1

MANITOBA PRICE AND SALES SUMMARY

MONTH	AVERAGE FOR 100 INDEX HOGS F.O.B. WINNIPEG	#1 SOWS D.W.	TOTAL SALES
JANUARY	69.79	56.00	117,985
FEBRUARY	71.64	58.25	118,508
*MARCH	67.93	58.45	154,312
APRIL	59.30	48.95	124,990
MAY	60.51	47.15	116,779
*JUNE	64.97	46.10	161,581
JULY	68.44	45.45	117,841
AUGUST	63.13	44.05	119,038
*SEPTEMBER	64.29	40.95	151,761
OCTOBER	68.01	44.15	125,097
NOVEMBER	66.88	46.00	126,112
*DECEMBER	70.01	46.25	144,866
1985	AV. 66.31	AV. 48.69	1,578,870
1984	AV. 70.09	AV. 54.74	1,421,109
1983	AV. 68.49	AV. 52.32	1,294,741
5 YEAR AVERAGE	70.57		
10 YEAR AVERAGE	66.03		

*Denotes 5 Week Month

Second and third quarter prices fell below cost of production figures and were largely responsible for the lower annual average of $66.31. 1985 prices were the lowest since 1980.

TABLE 2

MANITOBA — HOG MARKETINGS BY QUARTER — 1985

	JAN.-MAR. 1st QUARTER	APRIL-JUNE 2nd QUARTER	JULY-SEPT. 3rd QUARTER	OCT.-DEC. 4th QUARTER	TOTAL
HOGS	381,085	393,975	378,888	386,819	1,540,767
SOWS	7,524	7,045	7,646	7,201	29,416
BOARS	2,196	2,329	2,106	2,055	8,686
TOTAL (85)	390,805	403,350	388,640	396,075	1,578,870
TOTAL (84)	368,754	352,718	316,615	383,022	1,421,109
TOTAL (83)	320,916	317,071	316,548	340,206	1,294,741
% CHANGE 85/84	+6.0	+14.3	+22.7	+3.4	+11.1

Board sales reached an all-time high of 1.57 million head. This was up 11 percent from 1984. The growth of the Manitoba hog industry since 1980 has been very positive with the 5 year increase amounting to 383,000 head or a production increase in excess of 35 percent.

TABLE 3

INSPECTED HOG SLAUGHTER — 1985 *CANADA AND UNITED STATES			
PROVINCE OF ORIGIN	FEDERAL AND PROVINCIAL SLAUGHTER VOLUME		% CHANGE 85/84
	1985	1984	
BRITISH COLUMBIA	349,759	343,439	+ 1.8
ALBERTA	1,920,425	1,691,274	+ 13.5
SASKATCHEWAN	727,097	689,818	+ 5.4
MANITOBA	1,492,999	1,238,985	+ 20.5
TOTAL WEST	4,490,280	3,963,516	+ 13.3
ONTARIO	4,058,745	4,036,633	+ 0.5
QUEBEC	4,672,513	4,639,029	+ 0.7
MARITIMES	600,382	614,987	- 2.4
TOTAL EAST	9,331,640	9,290,649	+ 0.4
TOTAL CANADA	13,821,920	13,254,165	+ 4.3
TOTAL UNITED STATES	81,524,786	82,077,168* (Revised)	- 0.7

*Source — Agriculture Canada

Canadian inspected hog slaughter was up 4.3 percent while U.S. slaughter was down marginally by .7 percent. Western hog slaughter recorded an increase of over 13 percent while the east was up fractionally.

TABLE 4

FRESH & FROZEN PORK EXPORTS			
	POUNDS		% CHANGE 85/84
EXPORTED TO	1985	1984	
UNITED STATES	397,496,000	328,871,000	+ 20.9
JAPAN	51,335,000	49,705,000	+ 3.3
OTHER COUNTRIES	20,531,000	16,125,000	+ 27.3
TOTAL	469,362,000	394,701,000	+ 18.9

The major export market for Canadian pork was again in the United States. Exports to Japan were not close to levels of the recent past but were slightly up from the 1984 figure.

TABLE 5

FRESH & FROZEN PORK IMPORTS			
	POUNDS		% CHANGE
EXPORTED FROM	1985	1984	85/84
UNITED STATES	9,042,000	14,352,000	- 37.0
OTHER COUNTRIES	23,521,000	13,746,000	+ 71.1
TOTAL	32,563,000	28,098,000	+ 15.9

The net import increase in 1985 was solely the result of a significant increase in the volume originating from the E.E.C., and primarily from Denmark.

TABLE 6

HOG CARCASS INDEXING REVIEW — 1985		
INDEX(ES)	PERCENTAGES	
	MANITOBA	CANADA
114 & 113	1.2	.9
112 & 110	7.4	6.4
108	9.2	9.1
107	13.7	13.7
105	17.2	17.0
103	16.5	16.0
102	12.9	13.2
100	8.8	8.9
98 & 97	7.6	7.9
95, 93, & 92	1.7	1.9
90, 88, 87 & 85	2.0	2.4
83, 82 & 80	1.1	1.5
LIGHTS	0.3	.7
RIDGLINGS	0.5	.3
1985 — 102 & OVER	78.1	76.3
1984 — 102 & OVER	74.5	73.2
1983 — 102 & OVER	73.2	70.6

Manitoba's hog quality continues to move ahead with the percentage of hogs indexing 102 and up at 78.1 percent. This was nearly 2 percent over the national average.

TABLE 7

MANITOBA HOG CARCASS WEIGHT DISTRIBUTION				
RANGE (LBS)	1985		1984	
	NO. HOGS	% CARCASSES	NO. HOGS	% CARCASSES
UNDER 120	2,935	.1	3,186	.2
120 - 129	4,637	.3	4,956	.4
130 - 139	14,468	.9	14,972	1.2
140 - 149	51,513	3.4	51,408	4.1
150 - 159	173,314	11.6	155,446	12.6
160 - 169	387,218	25.9	324,441	25.6
170 - 179	452,539	30.3	359,843	29.3
180 - 189	264,756	17.7	204,633	16.6
190 - 199	97,934	6.5	74,851	6.1
OVER 200	43,606	2.9	32,403	2.6

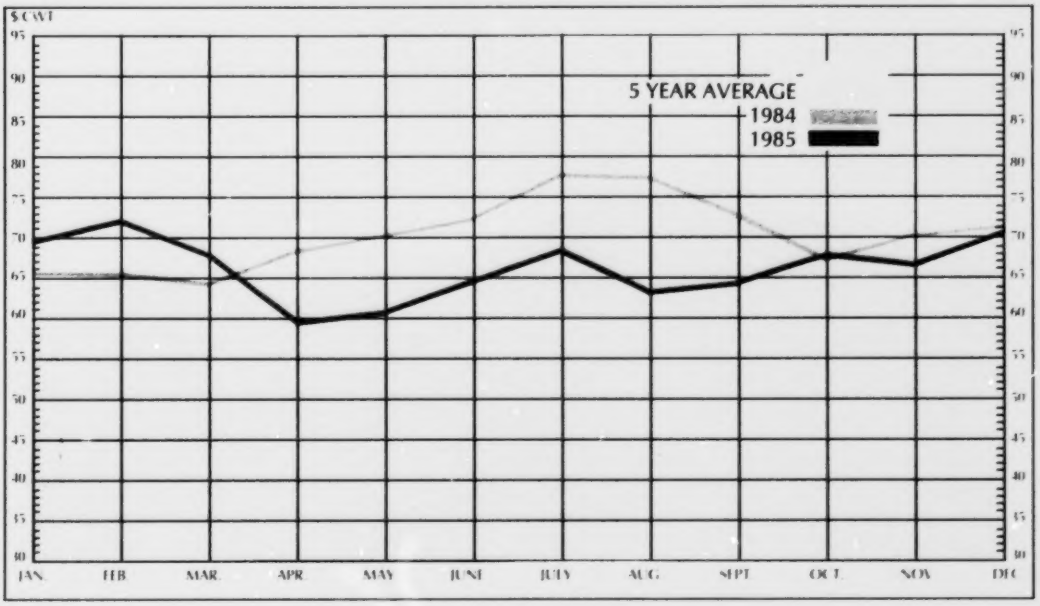
The percentage of Manitoba hogs contained in the most desirable weight categories from 160-189 pounds stood at 73.9 for 1985. This was an increase of 2.4 percent from the 1984 figure of 71.5 percent.

TABLE 8

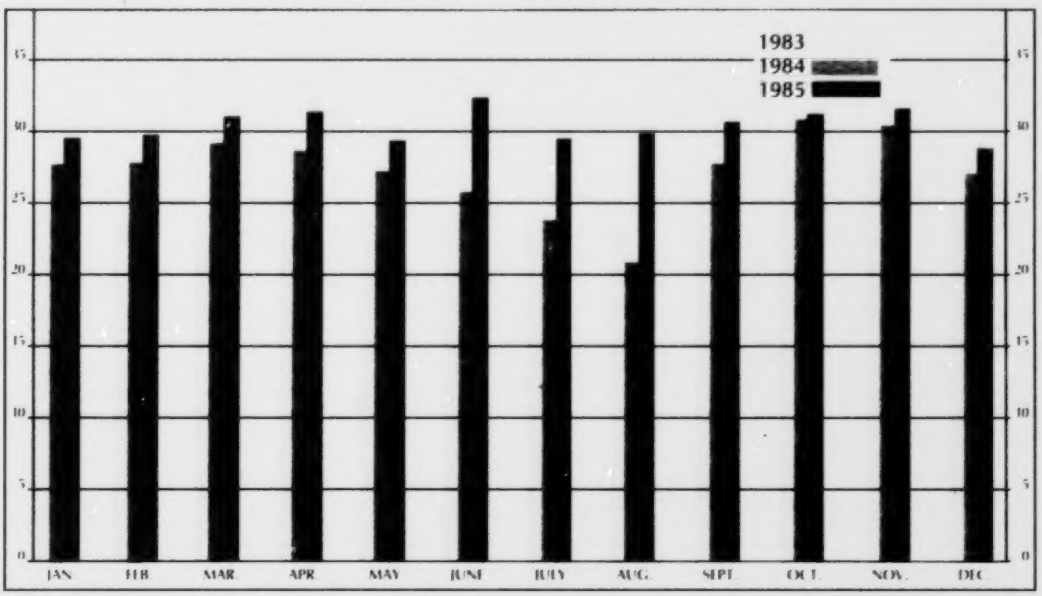
MONTHLY REVIEW: AVERAGE WEIGHTS & INDEXES — 1985		
MONTH	AVERAGE MANITOBA INDEX*	AVERAGE CARCASS WEIGHT (LBS.)
JANUARY	103.9	173.0
FEBRUARY	103.9	172.2
MARCH	103.9	171.4
APRIL	104.3	171.2
MAY	104.0	171.5
JUNE	104.1	171.6
JULY	104.1	171.2
AUGUST	104.1	171.5
SEPTEMBER	104.3	171.8
OCTOBER	104.3	172.5
NOVEMBER	104.4	172.5
DECEMBER	104.0	170.4
AVERAGE FOR 12 MONTH PERIOD	104.1	171.7

*Average Index Excludes Ridglings and Lights

AVERAGE MONTHLY HOG PRICES
F.O.B. — WINNIPEG



AVERAGE WEEKLY MANITOBA MARKETINGS



1985 'TOP 20' provincial winners

		PRODUCER	ADDRESS	AVERAGE INDEX	TYPE OF OPERATION
1.	*	Ray Timmerman	Treherne	108.8529	Farrow to Finish
2.		Jake Peters	Wawanesa	108.2288	Farrow to Finish
3.	*	Greg Isaac	Arden	108.0488	Farrow to Finish
4.		Wellwood Colony	Dunrea	107.7606	Farrow to Finish
5.		Burtondale farms	Swan River	107.6247	Farrow to Finish
6	*	Plett & Reimer	Landmark	107.6214	Farrow to Finish
7		Alfred Isaac	Arden	107.5389	Feeder Operation: Weanlings from Mervin Wohlgemuth, Riding Mountain (90%) and Greg Isaac, Arden (10%)
8	*	Allen Barkman	Birnie	107.5239	Feeder Operation: Weanlings from George Friesen, Riding Mountain
9.		Jake P. Nikkel	Ste. Anne	107.4744	Farrow to Finish
10.	*	Pine View Hog Farm	Steinbach	107.4109	Farrow to Finish
11.		Sommerfeld Colony	High Bluff	107.4096	Farrow to Finish
12.	•	Joe Stefanuk	Petersfield	107.3730	Feeder Operation: Weanlings from Teake van der Zweep, Balmoral
13.	*	Dwight L. Peters	Rosenfeld	107.3064	Feeder Operation: Weanlings from Barry Dueck and Irvin Toews, Altona and Braun, Braun & Janz, Lowe Farm
14.		Patrick Plett	Steinbach	107.3053	Feeder Operation: Weanlings from Bernie Plett, Steinbach
15.		Firman Brothers	Arborg	107.2906	Farrow to Finish
16.	*	James L. Young	Miniota	107.1987	Farrow to Finish
17.	*	R.D.F. & J.M.D. Heise	Isabella	107.1740	Farrow to Finish
18.	*	David T. Penner	Kleefeld	107.1695	Farrow to Finish
19.	*	Murray Barkman	Whitemouth	107.1056	Feeder Operation: Weanlings from Henry Berg, Kleefeld
20.	*	Harvey Plett	Steinbach	107.0223	Feeder Operation: Weanlings from Peter Kropp, Richer

* Indicates New to Provincial Top 20

• Indicates 5 or more years in Provincial Top 20

1985 'TOP 20' district winners

DISTRICT 1		ADDRESS	AVERAGE INDEX
1.	Steven J. Wallcraft	La Riviere	106.4846
2. ••	Clifford J. McCallum	Boissevain	106.3728
3. *	David E. Rolfe	Elgin	106.0022
4.	Dave Tiessen	Crystal City	105.7861
5. *	Gregg Fotheringham	Reston	105.6812
6.	Robt. Beernaert	Swan Lake	105.6628
7.	Orville Friesen	Cartwright	105.6080
8. •	Glen Wallcraft	La Riviere	105.5924
9.	Oak View Ent. Ltd.	Darlingford	105.5852
10. •	Dennis Warkentin	Baldur	105.5735
11. •	Edward Grift	Swan Lake	105.4728
12. •	Henry Comte	Notre Dame	105.4504
13. *	James Cockerline	Pilot Mound	105.3377
14. *	Hans-Hermann Wubbe	La Riviere	105.2326
15. *	Gerald A.J. Timmerman	Swan Lake	105.2012
16. *	Dale Boyd	Killarney	105.1791
17.	Maurice Chevelier	Swan Lake	105.1571
18. *	Alvin & Larry Falk	Crystal City	105.0899
19.	Milton Warkentin	Cartwright	104.8834
20.	Larry Thompson	La Riviere	104.8067

DISTRICT 2		ADDRESS	AVERAGE INDEX
1. •	Ray Timmerman	Treherne	108.8529
2. •	Jake Peters	Wawanesa	108.2288
3.	Lawrence Harry Reimer	Cromer	106.3863
4.	John P. Hipwell	Virden	105.9706
5. •	Amroy Farms Ld.	Carberry	105.9402
6. •	John K. Guthrie	Reston	105.3220
7.	Larry & Ken Ratz	Rivers	105.2800
8. *	P.A.R. '85	Wawanesa	105.2639
9. *	J.B. Hansen	Brandon	104.8794
10. •	J.P. Wiebe & Sons	MacGregor	104.8439
11. •	Dayton Reimer	Kola	104.7399
12. *	Larry G. Logan	Lenore	104.6185
13. •	Leonard Plett	Wawanesa	104.5989
14. •	Ed Wiebe	Wawanesa	104.5971
15.	Harry Plett	Wawanesa	104.5385
16.	Doug Wilson Farms	Reston	104.5119
17.	Bernie J. Wiebe	Bagot	104.5041
18. *	Larry Fisher	Carberry	104.3278
19. ••	Sandy Spring Farms Ltd.	Wawanesa	104.3000
20.	Ken & Linda Van Deynze	Treherne	104.2766

* Indicates New to District Top 20 • Indicates 5 or more years in District Top 20
•• Indicates 10 or more years in District Top 10

DISTRICT 3		ADDRESS	AVERAGE INDEX
1.	* Greg Isaac	Arden	108.0488
2.	Alfred Isaac	Arden	107.5389
3.	Allen Barkman	Birnie	107.5239
4.	James L. Young	Miniota	107.1987
5.	* R.D.F. Heise & J.M.D. Heise	Isabella	107.1740
6.	* Murray J. Rempel	Birnie	106.9897
7.	* Lone Pine Farm	Arden	106.4881
8.	Glen Wohlgemuth	Plumas	106.3671
9.	• Louis Barkman	Birnie	106.2716
10.	•• J.A. McDonald & Sons	Strathclair	105.9102
11.	Linden Wohlgemuth	Riding Mountain	105.7641
12.	•• James D. Farquhar	Birtle	105.7462
13.	•• Newton Farms	Neepawa	105.6787
14.	• Ken A. Farquhar	Birtle	105.4709
15.	• Garry A. Tolton	Newdale	105.2257
16.	•• Dudley Ford	Arden	105.0852
17.	Elbourne O. Boyd	Riding Mountain	105.0829
18.	* Roland Arndt	Gladstone	104.8368
19.	* Terry K. Duncalfe	Birnie	104.7716
20.	Donald B. Peters	Oak River	104.4888

DISTRICT 4		ADDRESS	AVERAGE INDEX
1.	•• Burtondale Farms	Swan River	107.6247
2.	• Hans Immerkar	Swan River	106.8047
3.	• Acey Brinkman	Grandview	106.5176
4.	•• Jeffrey Farm	Bowsman	105.9894
5.	Ed Penner	Grandview	105.7625
6.	Edwin Wiebe	Roblin	105.0181
7.	• Highmoor Bros.	Birch River	105.0132
8.	Reginald O. Metcalfe	Bowsman	104.8214
9.	Harold Thiessen	Bowsman	104.7890
10.	• Leon F. Wohlgemuth	Durban	104.7512
11.	•• Ardenglen Ent. Ltd.	Swan River	104.7441
12.	• C.D. McLean	Grandview	104.7235
13.	* Marshall Miller	Benito	104.6475
14.	• Ken Wohlgemuth	Kenville	104.6002
15.	• Ian W. Shaw	Swan River	104.5643
16.	Ronald Bernardin	Laurier	104.5409
17.	Barrie Hrappstead	Swan River	104.3972
18.	• Michael McIntosh	Bowsman	104.3828
19.	• Dale Froese	Grandview	104.3355
20.	Dennis P. Barkman	Kenville	104.2924

* Indicates New to District Top 20 • Indicates 5 or more years in District Top 20
•• Indicates 10 or more years in District Top 20

DISTRICT 5		ADDRESS	AVERAGE INDEX
1.	Dwight L. Peters	Rosenfeld	107.3064
2. •	Claude & Patrick Lachance	Elie	106.8073
3. •	B.R. Isaac	Rosenort	106.7865
4. *	Kleen Lean Hog Farms Ltd.	Morris	106.7573
5.	Jerry W. Friesen	Altona	106.4527
6.	Bill L. Rempel	Morris	106.4008
7. *	Alfred Nickel	Stephenfield	106.0922
8 *	Richard J. Giesbrecht	Stephenfield	106.0695
9.	Springford Farms	Springford	106.0613
10. •	Jake F. Enns	Homewood	105.8220
11. *	Peter Koethler	Morden	105.7802
12.	Menno and Lorraine Wieler	Winkler	105.6390
13.	K-Line Pigs	Winkler	105.5972
14.	Brian F. Hildebrand	Morden	105.3332
15. •	Auke Bergsma	Carman	105.3255
16.	Frank B. Rempel	Horndean	105.0644
17.	Larry Gluck	Lowe Farm	105.0206
18. *	Albert L. Penner	Morris	105.0144
19.	Premium Pig Producers	Winkler	104.9827
20. *	John C. Peters	Winkler	104.9700

DISTRICT 6		ADDRESS	AVERAGE INDEX
1.	Firman Brothers	Arborg	107.2906
2. *	Wayne McClinton	Arborg	106.9127
3. •	G. Norberg & Sons	Marquette	106.4026
4. •	Melvin Barkman	Riverton	106.1885
5. •	Reimer's Farm	Fisher Branch	106.1782
6. •	Alan M. Safiniuk	Balmoral	106.1567
7. •	William A. Chrismas	Balmoral	106.1134
8. •	F. Henry Main	Balmoral	105.9001
9.	D.R. Plett	Arborg	105.7400
10. •	Eddie Brandt	Arborg	105.5171
11.	Edwin Ryden	Eriksdale	105.5002
12.	John Giesbrecht	Arborg	105.3499
13.	Cockerill Bros. Ltd.	Gunton	105.3318
14. •	John K. Plett	Fisher Branch	105.2477
15. •	William H. Smaldon	Gunton	105.2435
16.	A. Schick	Balmoral	105.2059
17. •	Leo Gudmundson	Arborg	105.0250
18. *	Robert Martin	Arborg	104.9235
19. *	George H.E. Williams	Balmoral	104.8510
20.	Keith L. Campbell	Teulon	104.8169

* Indicates New to District Top 20 • Indicates 5 or more years in District Top 20
•• Indicates 10 or more years in District Top 20

DISTRICT 7		ADDRESS	AVERAGE INDEX
1.	Plett & Reimer	Landmark	107.6214
2. •	Jake P. Nikkel	Ste. Anne	107.4744
3.	Pine View Hog Farm	Steinbach	107.4109
4. •	Joe Stefanuk	Petersfield	107.3730
5.	Patrick Plett	Steinbach	107.3053
6. *	David T. Penner	Kleefeld	107.1695
7.	Murray Barkman	Whitemouth	107.1056
8.	Harvey Plett	Steinbach	107.0223
9.	Peter W. Barkman	Ste. Anne	106.9829
10.	Henry Bergen	New Bothwell	106.8146
11. *	Levi Banman	Ste. Anne	106.7624
12.	Bergmann Farms	Blumenort	106.7443
13.	William W. Reimer	Steinbach	106.6922
14. *	Tom & John Neufeld	Tourond	106.5449
15. *	Gary J. Penner	Kleefeld	106.5169
16.	Robt. M. Bourbonnais	Beausejour	106.5137
17. *	Stuart N. Lawrence	St. Pierre	106.4406
18.	Bergmann Bros.	Glenlea	106.3614
19. •	Allan Plett	Steinbach	106.3207
20.	Linden Hog Farm	Landmark	106.2452

DISTRICT 8		ADDRESS	AVERAGE INDEX
1. ••	Wellwood Colony	Dunrea	107.7606
2. •	Sommerfeld Colony	High Bluff	107.4096
3.	Maplegrove Colony	Lauder	106.5770
4.	Concord Colony	Stony Mountain	106.5413
5. •	James Valley Colony	Elie	106.3980
6.	New Haven Col. Farms	Argyle	106.2824
7. •	Crystal Spring Colony	Ste. Agathe	106.2677
8. •	Brightstone Colony	Lac du Bonnet	106.2106
9.	Delta Colony Farms	Austin	105.9973
10. •	Clearwater Colony	Balmoral	105.9789
11. •	Fairholme Colony	Portage la Prairie	105.7466
12.	Homewood Colony	Starbuck	105.5311
13. ••	Greenwald Colony	Beausejour	105.5285
14. •	Oakridge Colony	Holland	105.4623
15. •	Baker Colony	MacGregor	105.4564
16. ••	Mayfair Colony Farms Ltd.	Killarney	105.4083
17.	Bon Homme Colony	Elie	105.4026
18.	Glenway Col. Farms Ltd.	Dominion City	105.3753
19. •	Barickman Col. Farms Ltd.	Headingley	105.3482
20. •	Maxwell Colony	Headingley	105.2671

* Indicates New to District Top 20 • Indicates 5 or more years in District Top 20
•• Indicates 10 or more years in District Top 20

Manitoba pork was promoted all year via several special campaigns, as well as regular media, mall and show promotions. Pork was a hit in schools too following the distribution of education kits for students in kindergarten through the tenth grade.

All in all — it was a "prize-winning" year for Manitoba Pork — with the 'crowning' touch in December!

MEAT AWARENESS MONTH

January 1985 was the first national meat awareness campaign for Canada. Manitoba participated actively in a co-operative attempt to increase consumer awareness of the benefits of eating red meats — with brochures, posters and buttons provided nationally. The Board's consumer consultant, Diane Wreford, planned and carried out a promotion schedule with the Manitoba representative from the Beef Information Centre, covering Winnipeg's largest cafeterias and appearing on C.B.C. and C.J.O.B. radio as well as CKND and CKY Television. Feedback was positive and considerable time therefore was invested during the rest of 1985 in making the '86 Meat Month even more effective.

PRIZE-WINNING PORK

To increase consumer awareness of the price benefits of pork, and to encourage increased pork consumption, 'Prize Winning Pork' was launched in July/August. Radio stations CJOB, Radio Southern Manitoba and CKLQ-Brandon carried ads inviting their listeners to send a favorite pork recipe to the station to be eligible for weekly prize draws, as well as a grand prize of a gas barbecue at the end of the contest. The contest was augmented by handouts in supermarkets and recipes and stickers on meat packages. All Safeway retail outlets in Winnipeg, plus two Penner stores, including the Steinbach outlet, were covered.

All radio stations involved in the campaign were enthusiastic about the promotion, giving pork more publicity, with extra name mentions than we contracted for. A total of 715 recipes were submitted. All entrants received letters thanking them for entering, plus recipe books and "Liven Up" fridge magnets. The three grand prize winners were Mrs. Anne Hoeppner of Morden, Mrs. R. Hambley of Gimli and Mrs. Manley Jacobs of Elkhorn.

CROWN ROAST PROMOTION

"Do something special for the holidays! Try delicious, quick, spectacular Crown Roast of Pork". So began the 12 inch deep, page-wide, four color ad that ran December 11 and 20 in the Winnipeg Free Press and the Brandon Sun. The Board supplied posters which were copies of the ad and frills to meat retailers. Unfortunately the 5000 frills ordered for the promotion were considerably fewer than the demand. According to participating retail groups, the promotion "went very well", "needed more lead time and more frills" and "would be worth doing again".

MALL PROMOTIONS

With Polo Park and St. Vital closed for renovations much of '85, mall promotions were minimized this year. During the Royal Manitoba Winter Fair in Brandon the M.H.P.M.B. co-operated with ten other producer organizations to promote Manitoba food products at the Brandon Shoppers' Mall. While food samples and recipe handouts were popular, all groups involved felt alienated somewhat from the Fair, and, although the Mall better suits consumer information purposes, it was recommended the co-ordinated promotion take place in the Fair Grounds in 1986. The M.H.P.M.B. also took part in the Clearspring Mall promotion at Steinbach on October 26.

FOOD SERVICE PROMOTION

Posters and quantity recipes were supplied on request to food service operators during the year. Several thousand quantity recipes were distributed at the Canada Packers' booth in Centrex, the hotel and restaurant show in October. Canada Packers featured pork bites at their booth, hence the co-operation.

In early December the Board joined once again with Canada Packers to introduce pork bites to patrons of the Marble Club in Winnipeg. The several-evening promotion proved the popularity of pork and was deemed "tremendously successful' ".

PORK EDUCATION KITS

Approximately 1700 pork education kits were mailed to all Manitoba schools with kindergarten through grade 10 enrolment. There are two kits — Pork From Farm to Fork for Grades 3 to 5 and Pork, The Nutrition Connection for Grades 7 to 10. Response to the kit, plus video tape, has been overwhelming. The 16-minute accompanying video has been placed in the lending libraries of both Manitoba Agriculture and Education.

RADIO AND TELEVISION PROMOTION

Every month Diane Wreford prepares two, two-minute consumer information items on pork for distribution via tape by Manitoba Agriculture to all rural radio stations across the province. The tapes are well used according to receiving stations.

Until the fall of '85 Diane presented 8 to 10 pork demonstrations on CKND-TV's Magazine Show every two weeks. When the show's format changed in September the demonstrations were scheduled for once a month. To keep total television exposure at a maximum, Diane then arranged to appear once a month on CKY-TV's "Today's World" show with host, Ray Torgrud. Consumer response from the first "pork show" in December was so overwhelming the Board has since installed a recipe line to remove pressure from the regular Board telephone lines. The new recipe line number is 233-2161.

The three-second television commercials produced in '84 for the Board ran again the spring of '85 for a six-week period.

PORK PROMOTOR

Bert Neufeld took over the position of Chef for the Board's Pork ProMotor and through 1985 attended 98 events and served "Pork" to 26,000 people — indicating that "Pork" is a winner with Manitobans.

The ProMotor unit is being replaced and will be in service in early '86.

auditors' report

THE MANITOBA HOG PRODUCERS' MARKETING BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 1985

Clarkson Gordon

Chartered Accountants
2700 Commodity Exchange Tower
360 Main Street
Winnipeg, Canada R3C 4G9
Telephone (204) 947-6519

AUDITORS' REPORT

To the Members of
The Manitoba Hog Producers' Marketing Board:

We have examined the balance sheet of The Manitoba Hog Producers' Marketing Board as at December 31, 1985 and the statements of revenue and expenditure, reserve for working capital and an offset to fixed asset investment, market development, pork promotion and research revenue, expenses and surplus, unallocated retained revenue, and cash flows for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the board as at December 31, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Clarkson Gordon

Winnipeg, Canada,
January 17, 1986.

Chartered Accountants.

THE MANITOBA HOG PRODUCERS' MARKETING BOARD

(Incorporated as a producer board under the laws of Manitoba)

BALANCE SHEET

DECEMBER 31, 1985

	1985	1984
A S S E T S		
Current:		
Cash in bank	$ 655,738	$ 792,346
Bank deposit receipts - interest bearing	4,500,000	4,000,000
Accounts receivable	845,990	787,561
Prepaid expenses	6,528	4,916
Total current assets	6,008,256	5,584,823
Fixed assets (note 2)	1,907,254	1,630,354
	$7,915,510	$7,215,177
L I A B I L I T I E S		
Current:		
Cheques issued and outstanding	$3,922,695	$3,766,376
Accounts payable and accrued liabilities (note 6)	322,060	104,263
Total current liabilities	4,244,755	3,870,639
Members' equity:		
Reserve for working capital and an offset to fixed asset investment	2,107,254	1,830,354
Surplus to be used for market development, pork promotion and research	635,334	561,882
Unallocated retained revenue	928,167	952,302
	3,670,755	3,344,538
	$7,915,510	$7,215,177

On behalf of the Board:

Director

Director Weldon A. Newton

(see accompanying notes)

THE MANITOBA HOG PRODUCERS' MARKETING BOARD

STATEMENT OF RESERVE FOR WORKING CAPITAL AND AN OFFSET TO FIXED ASSET INVESTMENT

YEAR ENDED DECEMBER 31, 1985

	1985	1984
Balance, beginning of year	$1,830,354	$1,461,867
Transfer from unallocated retained revenue	276,900	368,487
Balance, end of year	$2,107,254	$1,830,354

STATEMENT OF MARKET DEVELOPMENT, PORK PROMOTION AND RESEARCH REVENUE, EXPENSES AND SURPLUS

YEAR ENDED DECEMBER 31, 1985

		1985	1984
Revenue		$ 300,000	$ 250,000
Expenses:			
Market development, live hog and pork exports	(161,443)		
Less export adjustment paid to producers	153,137	(8,306)	(18,586)
Industry association		46,221	59,895
Pork promotion (includes depreciation of $1,320 1984 - $1,885)		152,419	129,257
Canadian Pork Council Special Trade Action Assessment		26,214	
Research		10,000	
		226,548	170,566
Excess of revenue over expenses		73,452	79,434
Surplus to be used for market development, pork promotion and research -			
Balance, beginning of year		561,882	482,448
Balance, end of year		$ 635,334	$ 561,882

STATEMENT OF UNALLOCATED RETAINED REVENUE

YEAR ENDED DECEMBER 31, 1985

	1985	1984
Balance, beginning of year	$ 952,302	$1,076,817
Excess of revenue over expenditure from operations for year	252,765	243,972
	1,205,067	1,320,789
Deduct transfer to reserve for working capital and an offset to fixed asset investment	276,900	368,487
	$ 928,167	$ 952,302

(see accompanying notes)

THE MANITOBA HOG PRODUCERS' MARKETING BOARD

STATEMENT OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1985

	1985	1984
Revenue:		
Gross fees	$1,951,536	$1,798,055
Less portion applicable to market development, pork promotion and research	300,000	250,000
	1,651,536	1,548,055
Interest	448,861	414,471
Other	46,544	47,611
	2,146,941	2,010,137
Expenditure:		
Administrative and selling (schedule)	1,817,827	1,705,223
Depreciation	76,349	60,942
	1,894,176	1,766,165
Excess of revenue over expenditure from operations for year	$ 252,765	$ 243,972

(see accompanying notes)

THE MANITOBA HOG PRODUCERS' MARKETING BOARD

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 1985

	1985	1984
Cash provided by (used in) operating activities:		
Excess of revenue over expenditure from operations for year	$ 252,765	$ 243,972
Add charges to operations not requiring a current cash payment -		
Depreciation	77,668	62,827
Market development, pork promotion and research revenue in excess of expenses	73,452	79,434
Proceeds on sale of hogs	186,686,574	177,337,391
Distribution on settlements, including board fees	(186,686,574)	(177,337,391)
	403,885	386,233
Net changes in non-cash working capital balances related to operations	157,756	575,753
Cash provided by operating activities	561,641	961,986
Cash provided by (used in) investment activities:		
Purchase of fixed assets	(354,568)	(431,314)
Net change in non-cash working capital balances related to investments		10,000
Cash used in investment activities	(354,568)	(421,314)
Increase in cash during the year	207,073	540,672
Cash position at beginning of year	1,025,970	485,298
Cash position at end of year	$ 1,233,043	$ 1,025,970
Cash consists of the following:		
Cash in bank	$ 655,738	$ 792,346
Add bank deposit receipts	4,500,000	4,000,000
Deduct cheques issued and outstanding	(3,922,695)	(3,766,376)
	$ 1,233,043	$ 1,025,970

(see accompanying notes)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1985

1. Significant accounting policies

(a) Nature of the board

The board was established to carry out the function of marketing hogs on behalf of the hog producers of Manitoba, including enhancing the market through market development, pork promotion and research. Accordingly, the financial statements have been prepared to reflect the operations and the activities in market development. The following is a description of how the revenue and expenses have been accounted for:

i) Revenues, expenditures and unallocated retained revenue

The board annually determines the amount of gross revenue from fees which is to be allocated for market development, pork promotion and research. The Statement of Revenue and Expenditure includes all revenues less the portion allocated to market development, pork promotion and research, and all expenses applicable to the day to day operations of the board. The excess of revenue over expenditure from operations is credited to the unallocated retained revenue.

ii) Market development, pork promotion and research

The board maintains a separate surplus account to be used for market development, pork promotion and research. The Statement of Market Development, Pork Promotion and Research Revenue, Expenses and Surplus reflects the

revenue which has been allocated for this purpose; the expenses for market development, pork promotion and research including the net costs of certain market development costs of hog export; the excess of revenue over expenses; and the surplus at the end of the year.

iii) Reserve for working capital and an offset to fixed asset investment

The board maintains the reserve to indicate the amount of members' equity which has been invested in net fixed assets plus an amount required for ongoing working capital.

(b) Revenue recognition

Revenue from fee income is recognized at the time of settlement with producers for sales made on their behalf by the board.

(c) Fixed assets

Land, building, furniture and equipment are recorded at cost. Normal maintenance and repair expenditures are expensed as incurred.

Depreciation is provided on the basis and at the rates set out below:

Asset	Basis	Rates
Building	Straight-line	2.5 - 15%
Furniture and equipment	Diminishing balance	20 - 30%

2. Fixed assets

	Cost	Accumulated Depreciation	Net Book Value 1985	Net Book Value 1984
Land	$ 431,145		$ 431,145	$ 431,145
Building	1,823,438	$424,387	1,399,051	1,129,758
Furniture and equipment	288,913	211,855	77,058	69,451
	$2,543,496	$636,242	$1,907,254	$1,630,354

3. Lease commitment

The board is presently renegotiating the Brandon office and yard lease which expired at the end of 1985 and which required a minimum annual rental of $52,713 at that time.

4. Board members' remuneration

	1985	1984
Chairman's salary	$ 5,000	$ 5,000
Directors' per diem	50,600	40,617
Out of pocket expenses	59,790	44,824
	$115,390	$90,441

The board consists of seven Directors and one Chairman. The Chairman's per diem rate is based on $120 per day and Directors' per diem rates are based on $110 per day. Out of pocket expenses are based on actual charges incurred.

5. Statement of cash flows

The name of this statement has been changed from statement of changes in financial position to reflect the change from a working capital basis to a cash basis.

6. U.S. countervailing duty

Under the terms of the countervailing duty imposed by the U.S. Department of Commerce, the Board is liable for payment of (and will pay on demand) a duty on hogs shipped to the United States between April 3, 1985 and August 13, 1985. The Board has accrued approximately $116,000 as at December 31, 1985 based on the preliminary duty of U.S. $3.20 per hundredweight, and the exchange rates in effect at the time of the shipments.

THE MANITOBA HOG PRODUCERS' MARKETING BOARD

SCHEDULE

SCHEDULE OF ADMINISTRATIVE AND SELLING EXPENDITURE

YEAR ENDED DECEMBER 31, 1985

	1985	1984
Advertising	$ 540	$ 249
Awards	7,886	10,017
Board members' remuneration, travelling and miscellaneous expenses	115,390	90,441
Claims and adjustments	19,245	18,733
Data processing	74,213	70,283
District meetings	88,741	57,705
Employee benefits	75,686	80,665
Insurance	47,412	53,016
Land lease		5,555
Light, heat and water	125,625	103,311
Maintenance and repairs	43,213	44,106
Memberships and subscriptions	1,773	1,793
Microfilming and xeroxing	3,869	3,393
Miscellaneous	10,520	8,289
Newsletter and hog journal	22,746	26,637
Office rental - Brandon	6,975	6,975
Office supplies and stationery	24,465	28,731
Postage	39,569	41,445
Professional fees	21,550	14,971
Provincial Health and Education Tax	12,467	12,432
Realty and business taxes	79,324	75,549
Salaries	795,225	763,332
Stockyard rentals and expenses	128,030	119,746
Telephone and telegraph, net	46,754	50,433
Travel expenses	20,693	16,261
Truck wash	5,916	1,155
Total administrative and selling expenditure	$1,817,827	$1,705,223

(see accompanying notes)